



ENERGY ASSURANCE DAILY

Thursday Evening, January 03, 2008

Electricity

FRCC Issues Generating Capacity Advisory for January 3 Due to Cold Weather Pockets of Outages Reported as High Demand Strains Transformers

The Florida Reliability Coordinating Council (FRCC) has issued a Generating Capacity Advisory for Thursday, January 3, 2008 based on exceeding trigger temperatures in Tallahassee, Jacksonville, Gainesville, Orlando and Miami. The Advisory, which was issued yesterday, said the Operating Margin in the state is sufficient to cover the loss of the largest generating unit. Progress Energy Florida, which had expected to set a record for electricity use on the morning of January 3, reported that more than 500 customers were without power in its service territory by the afternoon. According to a local media report, the outages resulted from overloaded transformers as customers turned up their heat.

<https://www.frcc.com/Public%20Awareness/Shared%20Documents/Capacity%20Advisory%20for%201-3-08.pdf>

<http://www.progress-energy.com/aboutus/news/article.asp?id=17722>

<http://www2.highlandtoday.com/content/2008/jan/03/breaking-news-many-residents-without-power/>

FPL's 839 MW Nuke Unit 2 in Florida Remains Shut January 3

According to NRC's nuclear reactor status report, the unit remained shut early on January 3. The unit tripped offline on December 28 while attempting a start up following a refueling outage. That trip was caused when one control element assembly (CEA) dropped to the bottom of the core from the upper electrical limit. The reactor was not critical at the time.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2007/20071231en.html>

TVA's 1,155 MW Browns Ferry Nuke Unit 3 in Alabama Shut December 31

The emergency shutdown of the Unit 3 reactor occurred due to turbine generator load reject signal on the Main Generator. The cause of the load reject signal is unknown and the investigation is continuing.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2008/20080102en.html>

Reuters, 19:43 January 2, 2008

Update: PSEG's 1,096 MW Salem Nuke Unit 1 in New Jersey Ramps Up to 98 Percent January 3

According to the Nuclear Regulatory Commission, the unit was operating at 62 percent on January 2. The unit shut by Dec. 31 due to the loss of two reactor coolant pumps.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Update: Dominion's 917 MW North Anna Nuke Unit 2 in Virginia Ramps Up to 82 Percent January 3

According to the Nuclear Regulatory Commission, the unit was at zero percent of capacity on January 2. The unit shut by December 26 due to a problem with a reactor coolant pump.

Information derived from NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

One Unit Shut at AEP's 1,695 MW Conesville Coal-fired Power Station in Ohio January 3 - Traders

Reuters, 11:37 January 3, 2008

AEP's 528 MW Welsh Coal-fired Unit 1 in Texas Shut January 3

The unit was shut so that the company could work on auxiliary equipment.

Reuters, 8:50 January 3, 2008

TransAlta's 381 MW Keephills Coal-fired Unit 1 in Alberta Shut January 2

Reuters, 19:43 January 2, 2008

ERCOT Report Analyzes 2,538 Miles of Proposed Transmission Improvements

The Electric Reliability Council of Texas's annual transmission planning report includes \$3 billion in proposed projects for the next five years, expected to add 2,538 miles of transmission lines and additional autotransformer capacity. The 2007 *Electric System Constraints and Needs* report, filed in late December with the Public Utility Commission (PUC), identifies and analyzes existing and potential constraints in the transmission system that could pose reliability concerns or increase costs to the electric power market, and ultimately, to Texas consumers. The report mentions plans for seven major 345-kV transmission lines.

http://www.ercot.com/news/press_releases/2008/nr01-02-08.html

FirstEnergy Companies File Application for 138-kV Transmission Line in Ohio

FirstEnergy Corp. announced that its American Transmission Systems Inc., (ATSI) subsidiary, and its Cleveland Electric Illuminating Company (CEI) electric utility company have filed a complete construction application with the Ohio Power Siting Board (OPSB) to construct a new 138-kilovolt (kV) transmission line and substation in northeast Ohio.

http://www.firstenergycorp.com/NewsReleases/2008-01-03_FirstEnergy_Companies_File_Application_For_Geauga.pdf

Petroleum

Fire Extinguished at Chevron's 330,000 b/d Pascagoula, Mississippi Refinery January 3

A small fire was quickly extinguished this morning in the RDS unit, which treats the feed to the catalytic cracker. A Chevron spokesman said the company did not expect much impact on production.

<http://www.reuters.com/article/rbssEnergyNews/idUSN0323220920080103>

No. 1 SCOT Unit Trips Offline at Alon USA's 67,000 b/d Big Spring Refinery in Texas January 2

According to a filing with Texas regulators, the No. 1 SCOT Unit tripped offline due to flame scanners not seeing a flame! The unit was relit at 9:25 a.m.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=101928>

Equipment Problem Reported at Hess's Port Reading Refinery in New Jersey December 31

According to a filing with New Jersey regulators, an unspecified "equipment problem" led to flaring at the refinery. Bloomberg News, 10:06 January 3, 2008

Update: Two Crude Oil Export Terminals Reopen in Mexico January 3

Petroleos Mexicanos (Pemex) said in an e-mailed statement that it has resumed loadings of crude oil at the company's Madero and Altamira terminals after winds and rains closed the facilities on January 1. The e-mail said that another terminal might open during the afternoon.

Bloomberg News, 12:16 January 3, 2008

Oil May Rise as High as \$150/bbl on Asian Demand – IEA Director

Bloomberg News, 11:26 January 3, 2008

\$100 Oil Will Lead to Record Pump Prices in Coming Months – AAA

<http://www.signonsandiego.com/news/business/20080102-1258-oil-100-gasoline.html>

Natural Gas

FERC Issues Environmental Approval for Colorado Interstate Gas Company's High Plains Expansion Project December 28

FERC staff prepared a final environmental impact statement for Colorado Interstate Gas Company's (CIG) High Plains Expansion Project. The project includes expansion of CIG's existing pipeline system by the construction and operation of about 163.7 miles of 24- and 30-inch-diameter pipeline, in four separate pipeline segments, and associated aboveground facilities in Weld, Adams, and Morgan Counties, Colorado.

<http://www.ferc.gov/industries/gas/enviro/eis/2007/12-28-07.asp>

Construction to Begin on Guardian Pipeline Extension in Wisconsin Early This Year

The 119-mile extension will expand the Guardian pipeline system from its existing terminus in Ixonia, Wisconsin to Green Bay, Wisconsin. The pipeline originates in Joliet Illinois. The Federal Energy Regulatory Commission approved the project in mid-December, and pipeline owner ONEOK Partners accepted the order last week.

<http://www.jsonline.com/story/index.aspx?id=702576>

Other News

Army Corps of Engineers Blocks Thunder Ridge Strip Mine Expansion Permit in Kentucky

On December 26 the U.S. Army Corps of Engineers suspended a permit previously issued to International Coal Group to construct valley fills and ponds necessary for the continued long-term operation of the existing Thunder Ridge surface mine in eastern Kentucky. The permit was suspended after the Sierra Club and Kentucky Water Alliance filed a federal lawsuit last month alleging that it violated the Clean Water and National Environmental Protection acts. Thunder Ridge currently produces 650,000 tons of coal per year.

<http://www.kentucky.com/471/story/274259.html>

<http://www.intlcoal.com/pages/news/2007/20071206article.pdf>

Energy Prices

U.S. Oil and Gas Prices January 3, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	99.18	97.41	58.31
NATURAL GAS Henry Hub \$/Million Btu	7.83	6.94	5.47

Source: Reuters

Energy Notes

Transformer Failure Leaves 8,500 Duke Energy Customers without Power in North Carolina January 3

<http://www.myfoxwghp.com/myfox/pages/News/Detail?contentId=5381896&version=1&locale=EN-US&layoutCode=TSTY&pageId=3.2.1>

Progress Energy Workers Making Preparations at Power Plants for Possible Record Electricity Demand in Florida January 3

<http://www.progress-energy.com/aboutus/news/article.asp?id=17722>

Update: California Sues EPA Over Vehicle Emissions Standards; 15 Other States Expected to Join Suit

http://www.canadianbusiness.com/markets/headline_news/article.jsp?content=D8TTVOBG1

County Board Gives Final Approval for Ship Berth to Accommodate LNG Vessels in Port of Coos Bay, Oregon January 2

<http://www.kcby.com/news/local/12989252.html>

Oxford Mining Seeking Strip Mining Permit for Upper Freeport Coal Seem in West Virginia

<http://www.snl.com/InteractiveX/article.aspx?Id=7124130&KPLT=4>

BP, Chevron and Apache to Decommission Seven Downed Platforms and Related Well Facilities Offshore Louisiana

<http://phx.corporate-ir.net/phoenix.zhtml?c=97570&p=irol-newsArticle&t=Regular&id=1090655&>

NorthWestern Energy Plans to Build at Least 150 MW of Wind Projects Over Next 7 Years in Montana

<http://www.missoulian.com/articles/2008/01/01/business/biz96.txt>

FERC Issues First License For Hydrokinetic (Wave) Energy Project in Washington State

<http://www.ferc.gov/news/news-releases/2007/2007-4/12-20-07-H-1.asp>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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